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# UNITED STATES DISTRICT COURT WESTERN DISTRICT OF WASHINGTON

Shenzhen Yihong Technology Co., Ltd.,

Plaintiff,

Case No. 2:24-cv-02043

dbest products, Inc.

v.

Defendant.

JOINT STATUS REPORT AND DISCOVERY PLAN

#### JOINT STATUS REPORT AND DISCOVERY PLAN

Plaintiff Shenzhen Yihong Technology Co., Ltd. ("**Plaintiff**" or "**Yihong**") and Defendant dbest products, Inc. ("**Defendant**" or "**dbest**") submit this Joint Status Report and Discovery Plan in accordance with the Court's Order dated January 27, 2025, Dkt. 17.

### 1. Nature and Complexity of the Case

### Plaintiff's Statement

This case is about whether Plaintiff Yihong's product offerings of certain stackable storage drawer on Amazon infringed upon Defendant Dbest's patent, bearing U.S. Patent No. 12,103,576 (the "'576 Patent"). On December 6, 2024, Plaintiff received a notice from Amazon.com, removing dozens of Plaintiff's stackable storage drawer products due to alleged complaint of infringement of '576 Patent by Defendant. Amazon also stated that it would need a court order allowing Plaintiff to sell the removed products before Amazon can reactivate the listings.

On December 11, 2024, Plaintiff Yihong filed this case seeking declaratory judgment of non-infringement upon Defendant's '576 Patent, and that Defendant's '576 Patent is invalid as it was rendered obvious by the prior art of a number of other patents or their combinations. Plaintiffs

further assert claims for tortious interference with contractual relations, and unfair competition in violation of the Washington's Consumer Protection Act, RCW 19.86.020 et seq.

#### **Defendant's Statement**

This case is <u>not</u> a patent dispute, and the Complaint should be dismissed in its entirety under Fed. R. Civ. P. 12(b)(1) and 12(b)(6). Plaintiff Yihong initially filed this lawsuit seeking a declaratory judgment of non-infringement and invalidity of U.S. Patent No. 12,103,576 (the "576 Patent") in response to a notice submitted by Defendant dbest to Amazon.com. However, dbest has since withdrawn its notice to Amazon and provided Plaintiff with an unconditional, irrevocable covenant not to sue for infringement of the '576 Patent. As a result, there is no live controversy regarding the '576 Patent, and this Court lacks subject matter jurisdiction over Plaintiff's declaratory judgment claims.

Plaintiff's remaining claims—tortious interference with contract and unfair competition under Washington's Consumer Protection Act—are purely state law causes of action that do not implicate patent law. Accordingly, proceeding under the Court's proposed patent litigation schedule would be inappropriate and inefficient. Given dbest's pending Motion to Dismiss, dbest respectfully requests that the Court postpone issuing a scheduling order until it has ruled on the motion.

As detailed in the Motion to Dismiss, Plaintiff and its counsel did not attempt to engage with dbest before initiating this lawsuit, despite Amazon's takedown process encouraging direct engagement with rights holders to seek a retraction. This is particularly concerning given that Plaintiff's counsel, Glacier Law LLP, has previously litigated against dbest in *Guangzhou Yucheng* 

<sup>&</sup>lt;sup>1</sup> On February 21, 2025, Defendant dbest filed its Motion to Dismiss Complaint under Federal Rules of Civil Procedure 12(b)(1) and 12(b)(6) (the "Motion to Dismiss"), which is noted for consideration on March 21, 2025. (Dkt. # 20)

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*Trading Co. v. dbest products, Inc.* No. 2:21-cv-04758-JVS-JDE (C.D. Cal.) and is familiar with dbest's counsel.<sup>2</sup> Despite this familiarity, Plaintiff's counsel opted for litigation rather than simple pre-litigation communication that would have promptly resolved the issue.

Plaintiff had a clear and direct path to seek resolution but chose litigation as its first resort. The Court should consider whether judicial resources should be expended on a case where no real controversy exists following dbest's covenant not to sue, particularly when early communication would have rendered this lawsuit unnecessary.

### 2. Proposed Deadline for Joining Additional Parties

The parties propose 30 days after entry of the Scheduling Order in this case as the last day to join additional parties. However, dbest maintains that a scheduling order should not be issued until the Court resolves the pending Motion to Dismiss.

### 3. Assignment of the case to a Magistrate Judge

The parties do not consent to assignment of this case to a full time United States Magistrate Judge.

### 4. Discovery Plan

### A. Prompt Case Resolution

The parties support prompt resolution of this case. The parties have exchanged settlement proposals but have been unable to reach an amicable resolution at this time. Further, in a good faith effort to resolve the matter, Defendant dbest voluntarily provided Plaintiff Yihong with an unconditional, irrevocable covenant not to sue for infringement of the '576 Patent. However, it is unlikely that the case will be resolved at least until the Court rules on the pending Motion to

<sup>&</sup>lt;sup>2</sup> Indeed, not only are counsel in both cases the same, the *Guangzhou Yucheng* case remains ongoing due to post-trial briefing.

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Dismiss. Plaintiff refutes that same resolves the need for declaratory relief or makes it whole for the improper actions already taken by Defendant dbest which are likely to reoccur in the future, presenting a justiciable controversy under the request for declaratory relief.

#### **B.** Alternative Dispute Resolution

The parties agree that early mediation in this case, under Local Civil Rule 39.1, would be beneficial to see if the parties can reach an amicable business resolution.

#### C. Related Cases

There are no related cases among the parties pending before this court or in another jurisdiction.

#### **D.** Initial Disclosures

The parties exchanged Rule 26(a)(1) initial disclosures on March 3, 2025.

### E. Subjects, Timing, and Phasing of Discovery

### Plaintiff's Statement

Plaintiff expects to conduct discovery requiring the production of documents, electronic materials, and things, interrogatories, requests for admission, and depositions. Plaintiff does not believe that discovery needs to be phased. Plaintiff does not believe that expert report deadlines should be staggered. Plaintiff reserves the right to move for a protective order should the need arise as the case proceeds.

Plaintiff proposes a discovery plan as detailed in the table accompanying section 19(A) below consistent with the local patent rules.

### **Defendant's Statement**

Pursuant to Local Civil Rule 26(f)(D), to promote expeditious and inexpensive resolution of the case, Defendant dbest submits that discovery should not proceed until resolution of the

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Motion to Dismiss. If discovery is necessary, it should be narrowly tailored to the remaining state law claims and should not follow a patent litigation schedule.

To further promote efficiency and minimize costs during discovery, dbest proposes presenting discovery disputes to the court by informal means, including via court conferences under Section IV(D) of the Court's Order dated January 27, 2025 (Dkt. # 17), and requesting the assistance of the magistrate judge for settlement conferences.

Pursuant to Local Civil Rule 26(f)(E), Defendant dbest anticipates seeking discovery on at least the following topics:

- The factual basis for Plaintiff Yihong's state law claims;
- Plaintiff's internal communications concerning the removed ASINs and/or dbest;

Communications between Plaintiff and Amazon concerning the removed ASINs and/or dbest;

- Communications between Plaintiff and other third parties concerning the removed ASINs and/or dbest;
  - Plaintiff's alleged contractual relationship with Amazon;
- Plaintiff's channels of trade, inventory, inventory returns and consumer reviews,
  warehousing and distribution channels, costs, competition, among others; and
  - Plaintiff's alleged damages claims and supporting financial records.

Defendant dbest believes that discovery should be phased into fact and expert. Given that there is no patent dispute, Defendant dbest believes that neither party will submit technical reports. However, Defendant dbest anticipates submitting a damages report to rebut any damages that Plaintiff Yihong claims. Defendant dbest submits that a protective order should be entered in the

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present case and will work with Plaintiff Yihong to submit an agreed proposed protective order for the Court's consideration.

Defendant dbest proposes a discovery plan as detailed in the table accompanying section 19(B) below consistent with what the Court adopts for non-patent matters.

#### F. Electronically Stored Information

The parties will discuss in good faith the best way of addressing the timing and scope of exchange of relevant electronically stored information ("ESI"). Defendant does not see a need for adopting any ESI agreements or requesting issuance of any ESI orders at this time. The parties will submit a stipulated ESI discovery agreement along with a protective order should the need arise as the case proceeds.

#### **G.** Privilege Issues

The parties agree that they will not be required to log privileged documents created on or after December 11, 2024, the date upon which Plaintiff commenced its action against Defendant. The parties have not identified any issues relating to claims of privilege or of protection as trial-preparation materials and will negotiate in good faith to resolve any such issues that may arise. The parties agree to the claw-back procedure under Rule 26(b)(5)(B) for any mistakenly produced material subject to a claim for privilege or work-product protection.

### H. Proposed Limitations on Discovery

The parties believe that the limitations on discovery provided by the Federal Rules of Civil Procedure are appropriate in this case. But the parties reserve the right to move for an order to increase or limit the amount, scope, and timing of any such discovery should increases or limitations become necessary as the case proceeds.

#### I. Discovery Prior to Disclosures Required by LPR 120

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#### **Plaintiff's Statement**

Plaintiff submits that discovery should be allowed before the disclosures required by Local Patent Rule W.D. Wash. LPR 120.

#### **Defendant's Statement**

As explained above, this case is <u>not</u> a patent dispute, and there is a pending Motion to Dismiss the patent declaratory judgment claims under Fed. R. Civ. P. 12(b)(1) for lack of subject matter jurisdiction and the state law claims under Fed. R. Civ. P. 12(b)(6) for failure to state a claim. Defendant dbest reiterates that to promote expeditious and inexpensive resolution of the case, discovery should not proceed until resolution of the pending Motion to Dismiss. If discovery is necessary, it should be narrowly tailored to the remaining state law claims and should not follow the Local Patent Rules or a patent litigation schedule.

5. The case name, case number, and court or other tribunal for any pending or prior action challenging the patent(s) at issue in the case.

Defendant dbest submits that this is not applicable because this is not a patent case. Plaintiff disagrees.

### 6. Proposed modifications of the deadlines provided for in the Local Patent Rules.

Defendant dbest submits that this is not applicable because this is not a patent case. Plaintiff disagrees and submits the proposed discovery plan, as outlined in the table accompanying Section 19(A) below, consistent with this Court's Order dated January 27, 2025. Dkt. No. 17.

#### 7. Confidentiality Concerns

If discovery proceeds, the parties anticipate the exchange of confidential information and will work together to submit a stipulated protective order by May 3, 2025.

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# 8. Whether and/or When a Tutorial Might be Scheduled to Assist the Court to **Understand the Underlying Technology.**

Defendant dbest submits that this is not applicable because this is not a patent case and there is no need for a claim construction hearing. Plaintiff defers to the Court to decide whether a technical tutorial would be helpful to the Court in advance of the Claim Construction Hearing.

# 9. Whether the Court Should Appoint an Expert to Hear and Make **Recommendations on Claim Construction Issues.**

Defendant dbest submits that this is not applicable because this is not a patent case and there is no need for resolving any claim construction issues. Plaintiff does not believe that an expert is necessary to hear and make recommendations on claim construction issues, but reserves the right to request one depending on the course of discovery.

### **10. Phasing Motions**

Defendant filed a Motion to Dismiss on February 21, 2025. Dkt. No. 20.

Defendant submits that the Court should resolve this motion before considering further motions or scheduling claim construction. Plaintiff disagrees.

The parties reserve the right to file dispositive motions depending on how discovery proceeds.

### 11. Nature of the Claim Construction Hearing

Defendant dbest submits that this is not applicable because this is not a patent case, and, thus, there is no need for a claim construction hearing or resolving any claim construction issues. Plaintiff disagrees and submits that the Claim Construction Hearing will be an evidentiary hearing where testimonies will be taken.

#### 12. Bifurcation

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The parties do not believe bifurcation is warranted in this case.

#### 13. Other Suggestions for Shortening or Simplifying the Case

The most efficient path forward is for the Court to rule on the Motion to Dismiss before scheduling any further proceedings.

### 14. Jury or Non-Jury Trial

The parties request a jury trial.

### 15. Number of Trial Days

The parties estimate that the trial will last approximately three to four (3-4) court days.

#### 16. Trial Counsel

The names, addresses, and telephone numbers of all trial counsel are listed below as undersigned counsel.

#### 17. Service

Defendant waived service of summons on January 13, 2025 (Dkt. No. 14). The parties agree that they shall serve all documents not filed using the Court's Case Management/Electronic Case Filing System by email. If service is not feasible or is unpractical by email the parties will confer prior to the deadline to arrange and agree to a reasonable alternative such as a link to cloud based storage or through an FTP. All deadlines shall be calculated from the date and time zone of the Western District of Washington.

#### **18. Scheduling Conference**

The parties request a scheduling conference with the Court before a scheduling order is entered. If the Court elects to set a scheduling conference, Defendant dbest would explain why the Local Patent Rules should not apply to this case and why, in the interest of judicial economy and efficiency, the Motion to Dismiss should be decided before the Court issues a scheduling order.

### 19. Proposed Preliminary Case Schedule

### A. Plaintiff's Proposed Case Schedule:

Event	Proposed Deadline
Deadline to join additional party	30 days after entry of Scheduling Order
Scheduling Order or Conference.	At the Court's convenience
Deadline to Add Inequitable Conduct	45 days after Scheduling Conference
Allegations without Leave of Court	
Defendant to serve Preliminary Infringement	45 days after Scheduling Conference
Contentions and Disclosure of Asserted	
Claims (LPR 120)	
Plaintiff to serve Preliminary	65 days after Scheduling Conference
Non-Infringement and Invalidity	
Contentions (LPR 121) and accompanying	
Document Production (LPR 122)	
Exchange of proposed claim terms	95 days after Scheduling Conference
Exchange of preliminary claim constructions	95 days after Scheduling Conference
Joint claim construction and prehearing	140 days after Scheduling Conference
statement	
Completion of claim construction discovery	190 days after Scheduling Conference
Parties opening claim construction briefs	195 days after Scheduling Conference
Parties submit Responsive Claim	210 days after Scheduling Conference
Construction Briefs	
Claim Construction Hearing	At direction of Court.
Claim Construction Order	At direction of Court.
Parties to conduct mediation	30 days after Claim Construction Order
Reliance on Opinion of Counsel	30 days after Claim Construction Order
Close of fact discovery	60 days after Claim Construction Order
Parties to Exchange Initial Expert Reports	90 days after Claim Construction Order
Parties to Exchange Rebuttal Expert Reports	120 days after Claim Construction Order
Close of Expert Discovery	150 days after Claim Construction Order
Parties to file Case Dispositive and/or	180 days after Claim Construction Order
Daubert Motions	
Parties to conduct mediation	210 days after Claim Construction Order
Tutorial	At direction of Court
Pretrial Conference	At direction of Court
Trial	At direction of Court

## B. <u>Defendant's Proposed Case Schedule</u>

Event	Date
TRIAL SET FOR 9:30 am on	16 months after entry of Scheduling Order
Length of trial	3-5 days
Deadline for joining additional parties	28 days after entry of Scheduling Order
Deadline for filing amended pleadings	56 days after entry of Scheduling Order
Disclosure of expert testimony under FRCP	7 months prior to Trial
26(a)(2) due	
All motions related to discovery must be filed	6 months prior to Trial
by	
Discovery must be completed by	5 months prior to Trial
All dispositive motions and motions	4 months prior to Trial
challenging expert witness testimony must be	
filed by this date (see LCR 7(d)). Such motions	
must be noted for consideration no later than 28	
days after this date (see LCR 7(d)).	
Settlement conference, if mediation has been	2 months prior to Trial
requested by the parties per LCR 39.1, held no	
later than	
Proposed jury instructions and agreed LCR 16.1	21 days prior to Trial
Pretrial Order due, including exhibit list with	
completed authenticity, admissibility, and	
objections fields	
Trial briefs, joint brief on motions in limine,	14 days prior to Trial
proposed voir dire questions, and deposition	
designations due	
Pretrial conference	TBD

#### **20. Disclosure Statements**

Plaintiff filed its Corporate Disclosure Statement on December 11, 2024 (Dkt. No. 2). Defendant filed its Corporate Disclosure Statement on February 20, 2025 (Dkt. No. 18).

21. The undersigned counsel hereby certify that he/she has reviewed the Civil Rules, the Local Rules, the applicable Electronic Filing Procedures, and The Hon. Judge Evanson's Chambers Procedures for Civil Cases.

22. The undersigned counsel hereby certify that he/she has reviewed and complied with 1 2 The Hon. Judge Evanson's Standing Order Regarding 28 U.S.C. § 455(b)(2) and Canon 3(C)(1)(b) 3 of the Code of Conduct for United States Judges. 4 5 6 **GLACIER LAW LLP** 7 /s/ Tianyu Ju Date: March 10, 2025 8 Tianyu Ju, Esq. (Admitted *pro hac vice*) iris.ju@glacier.law 9 251 South Lake Ave Suite 910 10 Pasadena, California 91101 Telephone: (312) 448-7772 11 LAW OFFICE OF CARL J. MARQUARDT 12 **PLLC** 13 Carl J. Marquardt (WSBA No. 23257) 1126 34th Avenue, Suite 311 14 Seattle, WA 98122 Tel: (206) 388-4498 15 Email: carl@cjmlawoffice.com 16 Attorneys for Plaintiff 17 18 POTOMAC LAW GROUP, PLLC 19 Date: March 10, 2025 By: /s/ William D. Fisher 20 William D. Fisher, WSBA No. 27475 1455 NW Leary Way, Suite 400 21 Seattle, WA 98107 22 Phone: (202) 558-5557 Email: wfisher@potomaclaw.com 23 24 Ehab M. Samuel (pro hac vice pending) ORBIT IP, LLP 25 620 Newport Center Drive, Suite 1100 Newport Beach, CA 92660 26 Phone: (310) 887-1333 27 Email: esamuel@orbitip.com 28 Attorneys for Defendant dbest products, Inc.

### **CERTIFICATE OF SERVICE**

I hereby certify that on March 10, 2025, I electronically filed the above document with the United States District Court of the Western District of Washington, via its ECF e-filing System, which will serve a true and correct copy on all counsel of record.

> /s/ Tianyu Ju Tianyu Ju